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**Congress of the United States**  
**House of Representatives**  
**Washington, DC 20515-4209**

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IN EUROPE (U.S. HELSINKI COMMISSION)

November 20, 2020

Mr. Steven Mnuchin  
Secretary  
U.S. Department of the Treasury  
1500 Pennsylvania Ave NW  
Washington, DC 20220

Dear Secretary Mnuchin,

I appreciate your response to my September 11 and 28, 2020 letters, though I am disappointed that it took over two months to receive your reply. Forgiveness for Paycheck Protection Program (PPP) loans is an increasingly important issue that demands your agency's prompt and thorough attention.

While I acknowledge we should strive to ensure that the loan forgiveness process is only "as burdensome as necessary to ensure overall integrity," I strongly believe that the Small Business Administration (SBA) is making a grave error in only reviewing loans of \$2 million or greater. On September 10, 2020, DOJ Acting Assistant Attorney General Brian Rabbit announced the DOJ's Criminal Division Fraud Section and other law enforcement partners had criminally charged more than 50 individuals who have allegedly committed fraud to obtain PPP funds to the amount of over \$175 million. These cases involving fraud ranged from loan requests for as low as \$30,000 to criminal enterprises requesting up to an approximately \$24 million. This clearly indicates that PPP fraud is not limited to high-dollar loans. I am very concerned that only reviewing loans of \$2 million or greater will result in additional fraud cases to go unnoticed, which is absolutely unacceptable.

Since only approximately 1% of the 5.2 million PPP loans made have received loan forgiveness decisions, I urge you to immediately take more stringent actions to ensure that taxpayer dollars are adequately safeguarded. Specifically, I request that small-dollar PPP borrowers still be required to certify that loan proceeds were used for permissible uses and maintain relevant documentation in the event of a subsequent audit. While I am mindful that the loan forgiveness process should not and cannot be too burdensome for our small businesses, especially minority-owned small business, I also believe there are controls we can put in place to deliver maximum relief to PPP borrowers while maintaining the government's ability to prosecute PPP fraud. For instance, in the House-passed Heroes Act 2.0, a streamlined, three-tier system based on loan size was created to simplify loan forgiveness for loans under \$150,000 while still maintaining certification procedures. I believe these provisions provide an adequate roadmap for how the agency should proceed in light of the Senate's nonaction.

I appreciate your prompt attention to this important issue and hope to see swift action taken. Should you have any questions regarding these requests, please contact Alex Schnelle in my office at [alex.schnelle@mail.house.gov](mailto:alex.schnelle@mail.house.gov) or 202-225-3265.

As Always, I remain,

Most sincerely,



Steve Cohen  
Member of Congress

c: Administrator Jovita Carranza, Small Business Administration